



RANDON S.A. Implementos e Participações

CNPJ 89.086.144/0001-16

Publicly-Traded Company

EXECUTIVE BOARD`S PROPOSAL

Incorporation of Controlled Company

Randon S.A. Implementos e Participações ("Company"), a publicly-traded company with headquarters on Abramo Randon Ave, no. 770, Interlagos District, CEP (ZIP CODE) 95055-010, in Caxias do Sul (RS), hereby presents the proposal of the Executive Board to be submitted to the Board of Directors and Audit Board in order to, in case it is approved by these bodies, be the object of deliberation of shareholders, at the Extraordinary General Meeting ("EGM"), to be convened at 9:00 AM of December 31, 2013.

According to the Proposal, the controlled company Suspensys Sistemas Automotivos Ltda ("Suspensys") will be incorporated by the Company and will succeed it in all rights and obligations.

To enable the incorporation, the Executive Board proposes:

- (i) to approve the Protocol and Justification of Incorporation of Suspensys Sistemas Automotivos Ltda. by Randon S.A.- Implementos e Participações, signed on December 12, 2013 ("Protocol") (Attachment I);
- (ii) to ratify the appointment of Deloitte Touche Tohmatsu Auditores Independentes as the specialized company responsible for the appraisal of the net equity of Suspensys and preparation of the respective appraisal report;
- (iii) to approve the Appraisal Report (Attachment II);
- (iv) to approve this Executive Board`s Proposal for the incorporation of Suspensys by the Company, its controlling company and sole partner, with the consequent extinction of Suspensys and incorporation of its net equity into the Company ("Incorporation");
- (v) ratify all acts performed by the administrators with the goal of implementing the incorporation;
- (vi) authorize the administrators of the Company to take all the necessary measures to give effect to the incorporation, also before the competent government offices.

In order to comply with Article 21 of CVM (Brazilian Securities and Exchange Commission) Instruction No. 481, of December 17, 2009, it is part of this Proposal the Attachment III, which contains detailed information about the process for selecting the appraisers, by the Company.

Also included, as Attachment IV, is a copy of the Working Proposal and remuneration of the recommended appraisers and, as Attachment V, the Financial Statements of Suspensys and respective Deloitte`s Report.

Deloitte" refere-se à sociedade limitada estabelecida no Reino Unido "Deloitte Touche Tohmatsu Limited" e sua rede de firmas-membro, cada qual constituindo uma pessoa jurídica independente. Acesse www.deloitte.com/about para uma descrição detalhada da estrutura jurídica da Deloitte Touche Tohmatsu Limited e de suas firmas-membro.

Caxias do Sul, December 12, 2013.

David Abramo Randon

Alexandre Randon

Erino Tonon

Geraldo Santa Catharina

ATTACHMENT I TO THE EXECUTIVE BOARD'S PROPOSAL

Protocol and Justification of Incorporation of Suspensys Sistemas Automotivos Ltda. by Randon S.A. Implementos e Participações

This private instrument is signed by the administrators of the companies below, henceforth qualified and which will be referred to as "Companies" when mentioned together.

RANDON S.A. IMPLEMENTOS E PARTICIPAÇÕES ("Randon"), a joint-stock company and publicly-traded company with headquarters on Abramo Randon Ave, no. 770, Interlagos District, CEP (ZIP CODE) 95055-010, Caxias do Sul (RS), enrolled with the General Taxpayers' Registry (CNPJ) under no. 89.086.144/0001-16, with their constitutive acts filed at the Board of Trade of the State of Rio Grande do Sul, NIRE 43300032680, hereby represented in the form of its Bylaws, by its Chief Executive Officer, **David Abramo Randon**, a Brazilian citizen, married, mechanical engineer, resident in São Paulo (SP), enrolled with the Private Taxpayers' Registry (CPF/MF) no. 277.049.120-20 and bearer of Identity Card RG no. 7001742126-SJS/RS; and, by its Director, **Geraldo Santa Catharina**, a Brazilian citizen, married, business administrator, resident and domiciled in Caxias do Sul (RS), enrolled with the private Taxpayers' Manager (CPF/MF) under no. 327.305.350-04, bearer of Identity Card RG no. 1009723501-SSP/RS; and,

SUSPENSY S SISTEMAS AUTOMOTIVOS LTDA. ("Suspensys"), a limited liability company with headquarters on Abramo Randon Ave, 1262, Interlagos District, CEP (ZIP CODE) 95055-010, in Caxias do Sul (RS), enrolled with the General Taxpayers' Registry (CNPJ) under no. 10.523.280/0001-76, with its constitutive acts filed at the Board of Trade of the State of Rio Grande do Sul, NIRE 43203253154, hereby represented by its Executive Director, **Alexandre Dorival Gazzi**, a Brazilian citizen, married, mechanical engineer, resident and domiciled in Caxias do Sul (RS), enrolled with the Private Taxpayers' Registry (CPF) under no. 198.611.760-04, bearer of Identity Card RG under no. 2000769162-SSP/RS; and its Commercial Director, **Everton Marcelo Kuver**, a Brazilian citizen, married, mechanical engineer, resident and domiciled in Caxias do Sul (RS), enrolled with the Private Taxpayers' Registry (CPF) under no. CPF/MF no. 456.931.450-34, bearer of Identity Card RG no. 1049474826-SSP/RS;

Whereas the administrators of the Companies have come to the conclusion that the integration of the activities that are currently developed by Randon and Suspensys will optimize their respective operations and provide them with greater synergy;

Whereas that the more efficient structure resulting from the integration of the activities of Randon and Suspensys will be the incorporation of Suspensys's net assets by Randon ("Incorporation"), with the consequent extinction of Suspensys;

Whereas that Randon holds, on this date, 99.999% of the capital stock of Suspensys and, by the date of Incorporation, Randon will be the holder of 100% of the quotas representing the capital of Suspensys;

They have decided to sign, pursuant to the Law, this Protocol and Justification of Incorporation

("Protocol"), whose objective is to establish, in accordance with Articles 224, 225 and 227 of Law no. 6,404, of December 15, 1976, as amended ("LSA") and supplementary legislation, the conditions of the incorporation, which will be timely submitted for deliberation of Randon's shareholders and Suspensys` partners.

1 - Justification

The incorporation of Suspensys by Randon is part of the corporate reorganization process of the Companies and will bring advantages to Randon, Suspensys and to all shareholders of Randon, resulting in greater synergy between the Companies and, therefore, providing financial, tax and operational benefits.

The Incorporation will also provide the Companies with a higher operating, administrative and financial efficiency, reducing operating costs for Suspensys.

The operation will not result in any damage to their business and operations, will not interfere with the continuity of their business (which will continue with the same level of quality) and will not incur in any damage to shareholders, employees, creditors and customers, whose rights will be fully ensured.

2-Conditions Prior to Incorporation

Prior to Incorporation, Randon will acquire, at the equity book value effective on November 30, 2013, corresponding to R\$ 3.029,00, the only quota of the capital of Suspensys, corresponding to 0.001% of the total capital stock, owned by Dramd Participações e Administração Ltda., a limited liability company, with headquarters on Paulista Avenue no. 1,294, 8th floor, CEP (Zip Code) 01310-100, in São Paulo (SP), enrolled with the General Taxpayers` Registry (CNPJ/MF) under no. 94.800.018/0001-11, which will withdraw itself from it, as per Private Agreement of Purchase and Sale of Quotas of Suspensys, signed on this date, resulting in Randon becoming the sole partner, holder of 100% of the capital of Suspensys.

3-Objectives of the Incorporation

The Incorporation will produce the extinction of Suspensys and succession, by Randon, of all their rights and obligations. As a result of the Incorporation, the capital stock of Randon will not be increased, since the totality of shares representing the capital stock of Suspensys is held by Randon.

4 – Capital Stock and Net Equity of the Companies

On that date, (i) the capital stock of Suspensys, fully paid-up and subscribed, is R\$ 228.000,000,00, represented by 100,000 quotas, without par value; and, (ii) the capital stock of Randon, fully subscribed and paid, is R\$ 730.000.000,00, represented by 243,785,452 shares, of which 81,888,294 are common shares and 161,897,158 are preferred shares, all registered, book-entry shares with no par value.

On November 30, 2013, the net equity shown in the financial statements of the same date is of (i) R\$ 302.914,197,66 in Suspensys and (ii) R\$ 1.278,766,909,54 in Randon.

5 – Approval of the Incorporation

The incorporation shall be submitted to the deliberation of Randon's shareholders and Suspensys` partners at the Extraordinary General Meeting and Meeting of Partners, , respectively, in compliance with the applicable legislation.

6 – Appraisal

For the purposes of the herein Incorporation, the company **Deloitte Touche Tohmatsu Auditores Independentes** was hired, a civil society based in the city of São Paulo, Capital, at Rua Alexandre Dumas 1981, registered in the Regional Accounting Council of the State of São Paulo under no. 2SP011609/O-8, enrolled with the General Taxpayers` Registry (CNPJ/MF) under no. 49.928.567/0001-11, with its consolidated articles of association registered in the 3° *Cartório de Registro Civil das Pessoas Jurídicas de São Paulo* (3rd Civil Register Office of Legal Persons of Sao Paulo) on December 28, 1977, and subsequent alterations registered in the same Register, the last one of which being registered under No. 661130, on September 30, 2013, as a specialized company ("Specialized Company") to appraise the net assets of Suspensys to be transferred to Randon as a result of the Incorporation, prepared and based on the audited financial statements of Suspensys on November 30, 2013 ("Base Date"), whose calculation resulted in the total value of R\$ 302,914,197,66 ("Appraisal Report").

The appointment and hiring of the Specialized Company, as well as the content of the Appraisal Report, shall be ratified and approved by the shareholders of Randon in an Extraordinary General Meeting, and also deliberated by the Partners of Suspensys, as indicated on item 4 of this Protocol.

The Specialized Company stated that (i) in accordance with the professional standards established by *Conselho Federal de Contabilidade* (CFC) (Federal Accounting Council), it has no knowledge of any conflict of interest, either direct or indirect, nor of any other circumstance representing a conflict of interest in connection with the services that have been provided, which are described above; and, (ii) it is not aware of any action by the controlling party or by the administrators of the Company intending to guide, limit, obstruct or perform any acts that have or may have compromised the access, use or knowledge of information, goods, documents or working methodologies that are relevant to the quality of their conclusions.

Taking into account that the entire capital of Suspensys is owned exclusively by Randon, this implies, therefore (i) that there are no minority shareholders in Suspensys with protected rights (inapplicability of the withdrawal right); and, (ii) there is no need to prepare an appraisal report of the net assets of the Companies at market price, as provided for in Article 264, of Law 6,404/76, and item VI of paragraph 1 of Article 2 of CVM Instruction 319/99.

7 – No Capital Increase and Changes in the Bylaws of Randon

No change in the By-Laws of Randon will be required, since: (i) the capital stock of Randon will not be increased, nor new shares will be issued, on the grounds that the entire capital of Suspensys is fully held by Randon; and, (ii) the activities foreseen in the corporate purpose of Suspensys are included in the corporate purpose of Randon, when describing the industry, trade, import and export of mechanical devices, equipment, machinery, parts, parts and components, related to the field of motor vehicles and towed vehicles, for the transport of materials, as well as in the branch of roadway and railway equipment.

8 – Property Consequences on Randon from Incorporation Procedure

In compliance with the provisions of Article 224, item III of LSA, the appraisal criteria of the net assets of Suspensys, for the purposes of the incorporation, will be the book value of its assets and liabilities, as determined in the Appraisal Report.

The net equity value of Randon will not undergo any changes as a result of the Incorporation, since the capital of Suspensys is held entirely by Randon, nor there will be any exchange between the quotas of Suspensys and the shares of Randon, and the net equity of Suspensys will be compensated by a same-value amount from the investment account of Randon.

Equity variations of Suspensys following the Base-Date will be properly recorded in its books, and its respective balances will be shown on the balance sheet of Randon after Incorporation is approved.

9-Succession and Measures following Incorporation

Randon will receive the totality of the assets and liabilities of Suspensys, thus succeeding seamless it in all its rights and obligations and fully assuming its net assets, including its debts.

Following the incorporation, the headquarters of Suspensys and its respective branches shall be succeeded by Randon`s subsidiaries, opened and located in the same addresses, as shown in Attachment I to this Protocol.

The administrators of Randon shall take the necessary measures to:

- (a) file, with the Board of Trade of the State of Rio Grande do Sul, the disclosure and publication of the acts relating to the Incorporation.
- (b) legalize the property registries of Suspensys described in Attachment II, thus recording the transfer of ownership to Randon on the grounds of the Incorporation, pursuant to paragraphs 2 and 3 of Article 98, of the LSA, and Article 64 of the Law No. 8.934, of November 18, 1994.
- (c) transfer the ownership of all other assets and rights to Randon, including, without limitation, vehicles, trademarks and patents, before the competent authorities.
- (d) transfer all Suspensys` employees, so that their contracts of employment do not suffer any interruption.
- (e) update or write-off all records/registrations of Suspensys, so as to reflect the referred Incorporation.

10 – General Provisions

The Incorporation will not be submitted to *Sistema Brasileiro de Defesa da Concorrência* (SBDC) (Brazilian Competition Defense System), since it is not an act of concentration in the form provided for in the applicable legislation, merely consisting of a corporate reorganization.

The cost estimate to implement the incorporation is approximately R\$ 2.500.000,00, which will be used to cover expenses related to technical professionals, employees and third parties, operational, consultancy and advisory services, including customization of the ERP system of the Company, as well as registration and publications of corporate acts.

On the other hand, the incorporation will bring annual cumulative gains around R\$ 1.500.000,00, as a result of the synergy from unifying the two units, both commercially (no more invoicing between two associated companies) and tax wise, in addition to the

simplification in personnel structure.

Randon is also studying other positive effects, including tax considerations, such as the existence of goodwill to be amortized, whose detailed information will be announced in due course.

Considering all the elements above, which include all the requirements laid down in Articles 224 and 224 of the LSA, the administrators of the Companies, who are the signatories of this Protocol, understand that the operation meets the interests of the Companies, reason for which they recommend its implementation.

And, for being thus agreed and contracted, they sign this Protocol in six counterparts of equal content and form, for its legal effects, before the witnesses below.

Caxias do Sul, December 12, 2013.

Randon S.A. Implementos e Participações

David Abramo Randon
CEO

Geraldo Santa Catharina
Director

Suspensys Sistemas Automotivos Ltda.

Alexandre Dorival Gazzi
Executive Director

Everton Marcelo Kuver
Commercial Director

Witnesses:

Claudia Onzi Ide
RG 7035603534-SSP/RS

Eduardo Frederico Willrich
RG 1075567279-SSP/RS

Attachment I to Protocol – Lists of Establishments/Addresses

No.	Suspensys	Randon
01	Head Office: Av. Abramo Randon, no. 1262, Bairro Interlagos, CEP 95055-010, Caxias do Sul, RS, CNPJ 10.523.280/0001-76.	Branch: Av. Abramo Randon, nº 1262, Anexo B, Bairro Interlagos, CEP 95055-010, Caxias do Sul, RS, CNPJ 89.086.144/0006-20.
02	Branch: Av. Adolfo Randazzo, nº 10, Pavilhão 02, Sala 02, Bairro Santa Fé, CEP 94046-800, Caxias do Sul, RS, CNPJ 10.523.280/0005-08.	Branch: Av. Adolfo Randazzo, nº 10, Pavilhão 02, Sala 04, Bairro Santa Fé, CEP 94046-800, Caxias do Sul, RS, CNPJ 90.852.914/0002-54.
03	Branch: Rua Engenheiro Alan da Costa Batista, nº 100, entre as colunas W14 e V14, Pedra Selada, CEP 27511-970, Resende, RJ, CNPJ 10.523.280/0007-61.	Branch: Rua Engenheiro Alan da Costa Batista, nº 100, entre as colunas W14 e V14, Anexo A, Pedra Selada, CEP 27511-970, Resende, RJ, CNPJ 89.086.144/0008-92.
04	Branch: Rua Projetada, nº 715, Polo Industrial, CEP 27511-970, Resende, RJ, CNPJ 10.523.280/0008-42.	Branch: Rua Projetada, nº 715, Anexo A, Polo Industrial, CEP 27511-970, Resende, RJ, CNPJ 89.086.144/0009-73.

Attachment II to Protocol - Properties

1) An URBAN PLOT, consisting of Lot 07, in Block no. 2587, originating from the breaking-up of part of the old lot 07 and agglutination of lot 11, both in Block 2587, and part of Lot 02, in Block 2663, located in the City of Caxias do Sul, with front facing Abramo Randon Ave, on the odd side, distant 26,00 meters from the corner formed by João Meneghini Street, in the block formed by the referred streets and Francisco Paglioli and Ângelo de Carli streets, which also face and border blocks numbers 2579, 2583, 2663 and 2672, formerly a block formed by Abramo Randon Ave, João Meneghini St, Ângelo de Carli St. and boundary of blocks, 2579 2583, 2663 and 2672, containing an industrial building in masonry, with one floor of building area of 21,527.93m², located on Abramo Randon Ave., number 1,262, the plot having an area of 68,852.02 m², with the following measurements and boundaries: on the North, by three lines, being the first of 52,00 m, with lot number 03, owned by Alfredo Tatto, lots numbers 05 and 06, owned by Rudimar Nicoletto; the second one of 26,00 m, with Ângelo de Carli St; and the third one of 374,11 m, bordering block 2672; on South by two lines, the first of 347, 13 m with Abramo Randon Ave, and second one of 100, 74 m with lot number 02 in Block 2663, owned by *Castertech Fundação e Tecnologia Ltda.*; on the East by two lines, the first one of 102,11 m and the second one of 103.76, both bordering lot number 02, Block 2663, owned by *Castertech Fundação e Tecnologia Ltda.*; and on the West, by three lines, the first one of 27,80 m, bordering lot no. 09, owned by *Randon S.A. Implementos e Participações*, the second one of 27,80 m, bordering lot no. 06, owned by Rudimar Nicoletto, and the third one of 149, 54 m, bordering the streets Ângelo de Carli, Francisco Paglioli and boundary of blocks numbers 2583 and 2579.

REGISTRY: Registration No. 129,612, sheet 01, Book 2 – *Serviço Registral de Imóveis – 1a. Zona* (Property Register Office) - Caxias do Sul-RJ.

2) An URBAN PLOT described as area A, with 39,996,000 m², facing Projetada Street (derived from the breaking-up of the area measuring 110,000,00 m², named Piquete 6 and 8), in the urban area of the Municipality of Resende, measuring 144,801 m, facing Projetada St; 145, 221m in the back part, bordering the area V2 of *Porto Real Empreendimentos Imobiliários Transportes Ltda.*, 277, 480m on the left side, bordering the remaining area of Fazenda Piquete; and 274,22 m on the right side, bordering Area B. Registry Reference: 25.3.08.01.09.000.

REGISTRY: Registration 36.178 – Sheet 01 – Book no. 2 – General Register – *Cartório do 2º Ofício do Serviço Notarial e Registral de Resende* (Notary`s Office) – RJ.

OCCUPANCY PERMIT: improvement with total area of 22,233,65 m², as per Occupancy Permit No. 345/2013, issued by *Secretaria de Obras da Prefeitura Municipal de Resende* on July 25, 2013.

3) an URBAN PLOT described as Area B, measuring 30,008,00 m², facing Projetada St (derived from the breaking-up of the area measuring 110,000,00 m², named Piquete 6 and 8), in the urban area of the Municipality of Resende, measuring 109,93 m, facing Projetada St; 109,93 m in the back part, bordering the area V2 of *Porto Real Empreendimentos Imobiliários Transportes Ltda.*; 274,22 m on the left side, bordering Area A; and, 271,740 m on the right side, bordering Area C. Registry Reference: 25.3.08.01.10.000.

REGISTRY: Registration 36.179 – Sheet 01 – Book no. 2 – General Register - *Cartório do 2º Ofício do Serviço Notarial e Registral de Resende* (Notary`s Office) – RJ.

OCCUPANCY PERMIT: improvement with total area of 11.299,39m², as per Occupancy Permit no. 346/2013, issued by *Secretaria de Obras da Prefeitura Municipal de Resende*, on July 25, 2013.

ATTACHMENT II TO THE EXECUTIVE BOARD`S PROPOSAL

**APPRAISAL REPORT OF NET EQUITY CALCULATED THROUGH ACCOUNTING
BOOKS ON THE BASE-DATE OF NOVEMBER 30, 2013**

To
Shareholders and Directors of
Suspensys Sistemas Automotivos Ltda.
Caxias do Sul - RS

DATA ON THE AUDIT FIRM

1 **Deloitte Touche Tohmatsu Auditores Independentes** , a civil society based in the city of São Paulo, Capital, at Rua Alexandre Dumas 1981, registered in the Regional Accounting Council of the State of São Paulo under no. 2SP011609/O-8, enrolled with the General Taxpayers` Registry (CNPJ/MF) under no. 49.928.567/0001-11, with its consolidated articles of association registered in the 3^o *Cartório de Registro Civil das Pessoas Jurídicas de São Paulo* (3rd Civil Register Office of Legal Persons of Sao Paulo) on December 28, 1977, and subsequent alterations registered in the same Register, the last one of which being registered under No. 661130, on September 30, 2013, herein represented by its partner Marcelo de Figueiredo Seixas, Brazilian, divorced, accountant, bearer of Identity Card 08730520-7 IFP/RJ, enrolled with the Private Taxpayers` Registry (CPF) under no. 014.906.477-24 and in the Regional Accounting Council of the State of Rio Grande do Sul under no. PR 045179/O-9 S-RS, with business address in the City of Porto Alegre, Carlos Gomes Ave, 403- 12th floor, a specialized company that has been pre-qualified as an expert company by the Management of Suspensys Sistemas Automotivos Ltda. (“Company”) to carry out, in accordance with the provisions of Article 8, of Law No. 6,404/76, the appraisal of the net equity of the Company on November 30, 2013, summarized in Attachment I, in accordance with the accounting practices adopted in Brazil, presents the following result of its work.

APPRAISAL`S OBJECTIVE

2 The Appraisal of the Net Equity of Suspensys Sistemas Automotivos Ltda., on November 30, 2013, aims to serve as a basis for the corporate restructuring operation of Randon Group. This corporate restructuring will encompass the incorporation of quotas of Suspensys Sistemas Automotivos Ltda. by Randon S.A. Implementos e Participações.

RESPONSIBILITY OF MANAGEMENT ON ACCOUNTING INFORMATION

- 3 The Management of the Company is responsible for the bookkeeping of the books and preparation of accounting information in accordance with the accounting practices adopted in Brazil, as well as for the relevant internal controls it has determined as necessary to allow for the preparation of such accounting information, free from relevant distortion, regardless of whether it is caused by fraud or error.

SCOPE OF THE WORK AND RESPONSIBILITY OF THE INDEPENDENT AUDITOR

- 4 Our responsibility is to express our conclusion on the book value of the net equity of the Company on November 30, 2013, based on the audit examinations of the balance sheet of Suspensys Sistemas Automotivos Ltda. on November 30, 2013, its statement of income for the period of eleven months ended on that date and summary of the main accounting practices and other explanatory notes (altogether "interim financial statements"), issued on December 10, 2013. Thus, we have carried out the examination of said balance sheet of the Company according to the Brazilian and international auditing standards, which require the fulfillment of ethical requirements by the auditor, and that the audit be planned and performed so as to provide reasonable assurance that the net equity calculated for the preparation of our appraisal report is free from relevant distortion.
- 5 An audit procedure involves the execution of selected procedures for obtaining evidence regarding the amounts accounted for. The selected procedures depend on the auditor's judgment, including assessment of relevant distortion risks in net equity, regardless whether it is caused by fraud or error. In this risk assessment, the auditor considers internal controls that are relevant to the preparation of the balance sheet of the Company, so as to plan the audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of those internal controls of the Company. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Management. We believe that the audit evidence obtained is sufficient and appropriate on basing our conclusion.

CONCLUSION

- 6 Based on the work performed, we have come to the conclusion that the net equity value of Suspensys Sistemas Automotivos Ltda., on November 30, 2013, which is summarized in Attachment I, is R\$ 302.914.197,66 (Three hundred and two million, nine hundred and fourteen thousand, one hundred and ninety-seven dollars and sixty-six cents) and is recorded in the accounting books of the Company, in accordance with the accounting practices adopted in Brazil.

OTHER MATTERS

7 In compliance with the requirements of the Brazilian Securities and Exchange Commission, we inform that:

- (a) in accordance with the professional standards established by the Federal Accounting Council, we are not aware of any conflict of interest, either direct or indirect, nor of any other circumstance that represents a conflict of interest in connection with the services that have been provided by us and which are described above; and
- (b) we are not aware of any action taken by the controlling company or by the administrators of the Company with the objective of targeting, limiting, obstructing or performing any acts that have or may have compromised the access, use or knowledge of information, goods, documents or working methodologies relevant to the quality of the respective conclusions.

This appraisal report is drawn up in four counterparts of equal content in order to produce its legal effects.

Porto Alegre, December 10, 2013.

DELOITTE TOUCHE TOHMATSU
Independent Auditors
CRC n°. 2 SP-011.609/O-8 F-RS

Marcelo de Figueiredo Seixas
Accountant
CRC n.º PR 045179/O-9 S-RS

ATTACHMENT III TO THE EXECUTIVE BOARD'S PROPOSAL

Information on the Appraisers

1. List the evaluators recommended by Management

Deloitte Touche Tohmatsu Auditores Independentes ("Deloitte"), civil society, based in the city of São Paulo, Capital, at Rua Alexandre Dumas 1981, registered in Regional Accounting Council of the State of São Paulo under no. 2SP011609/O-8, enrolled with the General Taxpayers` Registry (CNPJ/MF) under no. 49.928.567/0001-11, CVM (Brazilian Securities and Exchange Commission) under no. 00385-9, with its consolidated articles of association registered in the 3^o *Cartório de Registro Civil das Pessoas Jurídicas de São Paulo* (3rd Civil Register Office of Legal Persons of Sao Paulo) on December 28, 1977, and subsequent alterations registered in the same Register, the last one of which being registered under No. 661130, on September 30, 2013, a specialized company that has been pre-qualified as an expert company by the Management of Suspensys Sistemas Automotivos Ltda. to carry out, in accordance with the provisions of Article 8, of Law No. 6,404/76, the appraisal of the net equity of the Company on November 30, 2013.

2. Describe the Training/qualification of the Recommended Appraisers

Deloitte has been in Brazil since 1911. The partner responsible for this work is Marcelo de Figueiredo Seixas, Brazilian, divorced, accountant, bearer of Identity Card 08730520-7 IFP/RJ, enrolled with the Private Taxpayers` Registry (CPF) under no. 014.906.477-24 and in Regional Accounting Council of the State of Rio Grande do Sul under no. 045179/PR O-9 S-RS, with business address in the city of Porto Alegre, at Carlos Gomes Ave, 403- 12th floor. Marcelo has 24 years of wide experience in the supervision of Audit Services in small, medium and large companies, multinational and national companies, in extensive fields of activity, such as manufacturing, services and retail.

3. Provide a copy of the Working Proposal and remuneration of the recommended appraisers (Find it at the end of Attachment IV).

4. Describe any relevant relationship over the last 3 (three) years between the recommended appraisers and the parties related to the Company, as defined by the accounting rules under this subject.

Over the last three years, Deloitte has provided audit services of the financial statements for Suspensys and Master Sistemas Automotivos Ltda., an affiliate company under common control of Randon.

ATTACHMENT IV TO THE EXECUTIVE BOARD'S PROPOSAL

Working Proposal - Deloitte Touche Tohmatsu Auditores Independentes

Randon S.A. Implementos e Participações

Engagement Letter for the Provision of Professional Services relating to the Preparation of the Appraisal Report of Net Equity of Suspensys Sistemas Automotivos Ltda., on November 30, 2013.

Deloitte Touche Tohmatsu Auditores Independentes

November 11, 2013

Randon S.A. Implementos e Participações

Caxias do Sul - RS

Dear Sirs:

Additionally to our Audit Proposal dated April 5, 2013, we submit the following changes to the scope of work that has been previously agreed to include the provision of professional services relating to the preparation of the Appraisal Report of Net Equity, on November 30, 2013, of Suspensys Sistemas Automotivos Ltda. ("Suspensys" or "the Company") for incorporation by Randon S.A. Implementos e Participações ("Randon") in accordance with the accounting practices adopted in Brazil and with Article 8 of Law no. 6404/76, and to change the date of issue of the report on the financial statements from December 31, 2013 to November 30, 2013 - Balance Sheet and respective statement of income, for the period of eleven months ended on that date, as well as summary of the main accounting practices and other Notes, as required by CVM Instruction no. 319/99.

This Engagement Letter aims to confirm the terms, objectives, nature and the limitations of the services to be provided by us.

1. SCOPE OF THE PROPOSED SERVICES

1. Examination of the balance sheet of Suspensys Sistemas Automotivos Ltda. as of November 30, 2013 so that we can form a judgment and determine the value of the net equity to be incorporated by Randon S.A. Implementos e Participações, in accordance with the accounting practices adopted in Brazil.
2. Examination of the balance sheet of Suspensys Sistemas Automotivos Ltda. as of November 30, 2013, its respective statement of income for the period of eleven months ended on that date and summary of the main accounting practices and other notes to be prepared in Reais (R\$) by the Management of the Company, so that we can issue our Audit Opinion for the purpose of complying with CVM Instruction no. 319, of December 3, 1999.

Our examination will be conducted in accordance with Brazilian and international auditing standards and will comprise, among other procedures: (a) planning of the auditing work considering the relevancy of the balances, the volume of transactions and the accounting systems and internal accounting controls of the Company; (b) confirmation, based on tests, of evidence and records that support the values divulged; and (c) evaluation of the accounting practices and estimates adopted by Company's Management.

2. MANAGEMENT'S RESPONSIBILITY

Management is responsible for the preparation of the financial statements of Suspensys Sistemas Automotivos Ltda. This includes, among other things, implementing and maintaining an effective internal control so as to identify and ensure compliance with the laws and regulations applicable to the activities of Suspensys, properly recording accounting transactions, making suitable accounting estimates, safeguarding the assets, ensuring the appropriateness of financial statements and compliance with the accounting practices adopted in Brazil and preparing all financial records and related information that must be provided to us. Such statements are representations of Management.

We will make specific inquiries to Management about the representations embodied in the financial statements under analysis. As part of our audit procedures, we will request that Management provide us with a representation letter acknowledging Management's responsibility for the preparation of financial statements in accordance with the accounting practices adopted in Brazil and confirming some representations that have been made to us during our evaluation work. Management's answers to these questions and their written statements, as required by Brazilian auditing standards, are part of the evidential matter that we will rely on, as auditors, in issuing the referred Appraisal Report.

In view of the importance of Management's representations, the Company agree to hold Deloitte and its employees harmless from any claims, liabilities and expenses related to the services laid down in this Engagement Letter, related to any fraudulent misrepresentation by the Company's Management.

It is also the responsibility of Management to ensure that the Company does not compromise the independence of Deloitte by hiring a former or current Deloitte partner, manager or professional to a key position, as stipulated in the Code of Professional Conduct of *Conselho Federal de Contabilidade* (CFC) (Federal Accounting Council, which could lead to a violation of this Code or of other applicable rules about independence. Any job opportunity in the Company to a former or current Deloitte partner, manager, or professional should be discussed with us before initiating serious talks with such former or current Deloitte partner, manager or professional. For the purpose of this paragraph, "Deloitte" means Deloitte Touche Tohmatsu Independent Auditors and its member-firms and affiliates of Deloitte Touche Tohmatsu International and its member-firms.

3. REPORTS

As a result of our examinations, we will issue an Appraisal Report of Net Equity on the Base-Date of November 30, 2013, of Suspensys Sistemas Automotivos Ltda., and an audit opinion on the balance sheet as of November 30, 2013, its respective statement of income for the period of eleven months, ended on that date, and summary of the main accounting practices and other notes, as required by CVM Instruction 319/99.

4. WORK PERFORMANCE

In order to complete the proposed work within the established period of time, it is crucial that we have full cooperation of all the professionals of the Company involved in the process of preparation of reconciliations and accounting statements, as well as in providing us with support documentation, as it is requested by the Auditors.

We emphasize that it is of essence that the analyses and reconciliations for the accounting base-date of November 30, 2013 are duly prepared by the time we are to begin our work.

The date to perform the procedures required for the completion of the Appraisal Report will be established in agreement with the Company.

5. PROFESSIONAL FEES

Our fees are calculated based on the number of hours worked in performing the work, at the hourly rates applicable to the different categories of personnel involved, belonging to our technical staff.

To perform the work proposed, we estimate our fees in R\$ 30,000.00 (thirty thousand Reais), to be billed in one lump sum at the beginning of our work. The fees listed in this Engagement Letter do not include incident taxes and contributions (ISS, PIS and COFINS). These taxes and contributions will be added to our fees by their incident values, according to the legislation in force at the time of billing.

The fees were estimated under normal working conditions. If, however, circumstances occur which may have a significant effect on our estimates, we will contact you to agree on arrangements to minimize cost increase to these fees.

The amount of hours to be spent in this service may change if we find difficulties in obtaining information and documents, and if there is a need to expand our tests.

Expenses substantially related to transport, travel, lodging, meals and telecommunications will be billed to the Company by way of reimbursement, when incurred.

6. LIABILITY AND INDEMNITY

Deloitte's liability for the obligations assumed in this Engagement Letter will be limited to the amount of fees received, in the amount of which possible losses and damages are included. Without prejudice to the provisions in the previous paragraphs, Deloitte will only be liable in cases that have proven Deloitte's exclusive fault for the damage directly arising from its activity.

The execution of the services under this Engagement Letter will not create any kind of link between the Company and Deloitte, nor among employees of a party vis-à-vis the other party, each party individually responding for its tax, social security, labor or any other obligations. If one of the parties will be held responsible to the level of company assets, subsidiary or jointly, for any obligations described in the previous paragraphs, the party who contracted the obligation shall indemnify the other party.

Whereas it is up to the Company to make any decision in connection with the provision of services under this Engagement Letter, Deloitte cannot be assigned any responsibility resulting from such alleged services provision, in case it is hired. As a result, the Company will compensate Deloitte and its employees for any and all losses, damages, expenses or liabilities it may suffer, or for those which may occur as a result of claims from third parties arising out of the implementation of services herein proposed. This provision will remain in full force and effect during the whole implementation of the work under this Engagement Letter and also after its completion.

7. FORMALIZATION OF PROPOSAL'S ACCEPTANCE

This agreement shall be considered as accepted by receiving back, from you, a copy of this Engagement Letter signed "Agreed", when it will be considered as a valid agreement of service provision.

Thanking you for the opportunity and attention, we will await your approval to this Engagement Letter, and remain at your disposal for any further clarifications you may need.

Yours faithfully,
DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Marcelo de Figueiredo Seixas
Auditing Partner

Agreed

By: _____ /____/____
Name and title Signature Date

ATTACHMENT V TO THE EXECUTIVE BOARD`S PROPOSAL

INDEPENDENT AUDITORS` REPORT

To the Executive Board and shareholders of
Suspensys Sistemas Automotivos Ltda.
Caxias do Sul - RS

We have audited the Balance Sheet of Suspensys Sistemas Automotivos Ltda. ("Company") as of November 30, 2013, its respective statement of income for the period of eleven months ended on that date, and summary of the main accounting practices and other (together "Interim Financial Statements").

Management`s Responsibility for the Interim Financial Statements

The Company Management is responsible for the preparation of the Interim Financial Statements in accordance with the accounting principles adopted in Brazil. Such Financial Statements are being herein submitted with the specific purpose of meeting the requirements of CVM Instruction 319/99, for the shareholding restructuring of Randon Group. Management is also responsible for the internal controls it has determined as necessary to allow the preparation of these financial statements, free from relevant misstatements, whether due to fraud or error.

Independent Auditors` Responsibility

Our responsibility is to express an opinion on these Interim Financial Statements based on our audits. We have conducted our audits in accordance with the Brazilian and international auditing standards. These standards require that ethical requirements be fulfilled and also that we plan and perform the audit to obtain reasonable assurance about whether the Interim Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures made in the Interim Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the Interim Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company`s preparation of the Interim Financial Statements in order to plan audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company`s internal control. An audit also includes evaluating the appropriateness of accounting practices used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Interim Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Interim Financial Statements referred to above have been prepared, in all material respects, in accordance with the recognition and measurement criteria required by the accounting practices adopted in Brazil.

Emphasis

Restriction of Use and Distribution

As described in Note No. 1, these Interim Financial Statements have been prepared only with the specific purpose of serving as a basis for the operation of corporate restructuring of the Randon Group, as required by the Instruction CVM 319/99. Therefore, they do not represent the complete set of financial statements prepared in accordance with accounting practices adopted in Brazil for general purposes.

Porto Alegre, December 10, 2013.

DELOITTE TOUCHE TOHMATSU
Independent Auditors
CRC n.º 2 SP-011.609/O-8 F-RS

Marcelo de Figueiredo Seixas
Accountant
CRC n.º PR 045179/O-9 S-RS

SUSPENSYS SISTEMAS AUTOMOTIVOS LTDA.

BALANCE SHEET AS OF NOVEMBER 30, 2013

(In thousands of Reais)

	<u>NOV 30,</u> <u>2013</u>
ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	153.206
Non-Immediately redeemable investments	32.813
Accounts and notes receivables	111.420
Taxes recoverable	14.101
Inventories	69.168
Other amounts receivable	<u>2.768</u>
Total current assets	<u>383.476</u>
NON-CURRENT ASSETS	
Taxes recoverable	7.153
Other amounts receivable	1.698
Property, Plant and Equipment	218.221
Intangibles	<u>13.663</u>
Total non-current assets	<u>240.735</u>
TOTAL ASSETS	<u>624.211</u>

SUSPENSYS SISTEMAS AUTOMOTIVOS LTDA.

BALANCE SHEET AS OF NOVEMBER 30, 2013

(In thousands of Reais)

	<u>NOV 30,</u> <u>2013</u>
LIABILITIES AND NET EQUITY	
CURRENT LIABILITIES	
Suppliers	58.498
Loans and financing	31.040
Advances from customers	4.163
Taxes and contributions payable	7.103
Salaries payable	2.801
Provision for vacations and charges	12.232
Profit sharing – Employees and Administrators	5.315
Debt with related parties (loans)	2.421
Other accounts payable	<u>3.579</u>
Total Current Liabilities	<u>127.152</u>
NON-CURRENT LIABILITIES	
Loans and financing	185.246
Provision for tax, social security and labor risks	1.203
Contributions payable	4.394
Deferred taxes	3.110
Other amounts payable	<u>193</u>
Total Non-Current Liabilities	<u>194.146</u>
NET EQUITY	
Capital stock	228.000
Profit reserve	333
Equity valuation adjustments	12.498
Retained earnings	<u>62.082</u>
Total net Equity	<u>302.914</u>
TOTAL LIABILITIES AND NET EQUITY	<u>624.211</u>

SUSPENSYS SISTEMAS AUTOMOTIVOS LTDA.

STATEMENT OF INCOME

FOR THE PERIOD OF ELEVEN MONTHS ENDED ON NOVEMBER 30, 2013

(In thousands of Reais)

NET OPERATING REVENUE	930.590
COST OF GOODS SOLD AND SERVICES RENDERED	(773.231)
GROSS PROFIT	<u>157.359</u>
OPERATING (EXPENSES) REVENUES	
Sales	(37.968)
General and Administrative	(23.677)
Other (expenses) /net operating revenues	<u>(4.354)</u>
	<u>(65.999)</u>
OPERATING INCOME BEFORE FINANCIAL RESULT	<u>91.360</u>
FINANCIAL RESULT	
Financial Income	14.175
Financial Expenses	(15.231)
Exchange variations, net	<u>130</u>
	(926)
PROFIT BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	<u>90.434</u>
SOCIAL CONTRIBUTION	<u>90.434</u>
INCOME TAX AND SOCIAL CONTRIBUTION	
Current	(30.264)
Deferred	<u>3.326</u>
NET PROFIT FOR THE PERIOD	<u>63.496</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. PURPOSE OF THESE INTERIM FINANCIAL STATEMENTS

These financial statements, which comprise the balance sheet as of November 30, 2013 and respective statement of income for the period of eleven months ended on that date (here defined as "interim financial statements") have been prepared with the special purpose of serving as a basis for the operation of corporate restructuring of Randon Group, as established by CVM Instruction no. 319/99. This corporate restructuring will encompass the incorporation of quotas of Suspensys Sistemas Automotivos Ltda. by Randon S.A. Implementos e Participações.

2. ACCOUNTING POLICIES AND PRACTICES

These interim financial statements have been prepared in accordance with the recognition and measurement criteria established by the accounting practices adopted in Brazil, on the basis of the provisions contained in the Corporate Law, statements, guidelines and interpretations issued by *Comitê de Pronunciamentos Contábeis* (CPC) (Committee of Accounting Pronouncements) and approved by the Securities and Exchange Commission (CVM).

The accounting practices used in the preparation of these interim financial statements are the same used and disclosed in the Notes to the financial statements for the year ended December 31, 2012, which should be read in conjunction with these financial statements.
